

Q4 2013



Town of Colma Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2013)

Colma In Brief

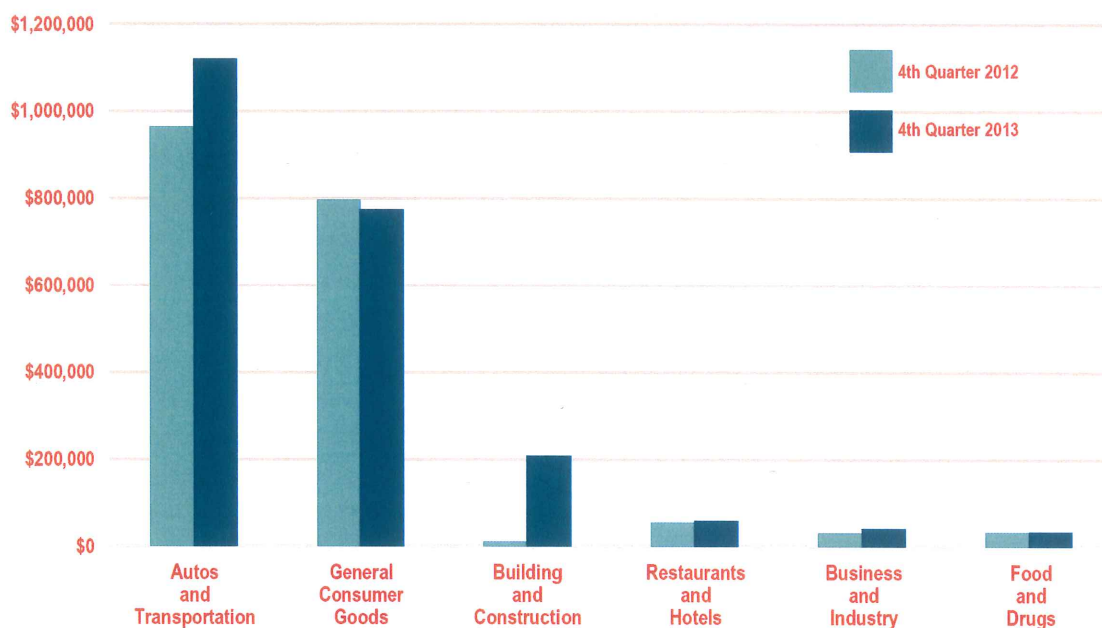
Receipts for Colma's October through December sales were 18.3% higher than the same quarter one year ago, but a payment aberration that depressed last year's proceeds from the building and construction group skewed the data. Actual sales rose 7.9% when this and other reporting aberrations were factored out.

Robust sales at new car dealers, combined with an actual 8.7% gain from the building and construction group were major factors for the increase. A recent addition lifted business and industry group returns. The larger allocation from the countywide use tax pool was also a factor for the overall increase in gross receipts. A year-ago adjustment inflated results from automotive leases.

Gains were partially offset by declines from several categories of general consumer goods and a payment deviation that depressed results from family apparel.

Net of reporting anomalies, taxable sales for all of San Mateo County increased 5.3% over the same period, while the Bay Area as a whole was up 4.9%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Babies R Us	Michaels Arts & Crafts
Bed Bath & Beyond	Nordstrom Rack
Best Buy	Office Depot
BevMo	Old Navy
Cypress Lawn Cemetery	Pacific Nurseries
Golden Gate Acura	Pacific Sales
Home Depot	Serramonte Auto Plaza
Honda of Serramonte	Serramonte Ford
Hyundai Serramonte	Stewart Chevrolet
Kohls	Chrysler
Lexus of Serramonte	Target
Lucky Chances Casino & Dining	Team Volkswagen
Marshalls	Subaru
	Toyota Lease Trust

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$5,730,227	\$6,440,216
County Pool	763,043	922,538
State Pool	2,397	3,856
Gross Receipts	\$6,495,667	\$7,366,609
Cty/Cnty Share	(324,783)	(368,330)
Net Receipts	\$6,170,883	\$6,998,279
Less Triple Flip*	\$(1,542,721)	\$(1,749,570)

*Reimbursed from county compensation fund

Statewide Results

Excluding accounting anomalies, the local share of sales and use tax receipts from California's 2013 holiday spending rose 3.4% over the fourth quarter of 2012.

Auto sales and leases and all categories of building and construction materials were substantially up over the previous year while tourism and convenience-driven consumer demand continued to produce healthy gains in restaurant related revenues.

Sales of luxury goods and portable electronics did particularly well while cut backs in food stamp programs and unemployment benefits reduced spending at discount department stores and many value oriented retailers. Generally, the gains in sales from online purchases were higher than for brick and mortar stores.

Rising fuel efficiency resulted in lower receipts from service stations and petroleum supply companies while a slowing pace in solar and alternate energy development reduced use tax receipts from the business/industrial segment.

Spending patterns were fairly consistent throughout most regions.

E-Commerce Spending Up

Tax receipts from holiday spending on general consumer goods at brick and mortar stores grew by 2.3% over last year's comparable quarter while local tax revenues from online purchases increased 16% and accounted for 10.3% of total general consumer goods sales and use tax receipts.

The rise in online retail shopping accelerates trends that began 20 years ago by sellers of materials and equipment to business and industrial users. Suppliers were able to take advantage of business preferences for the ease

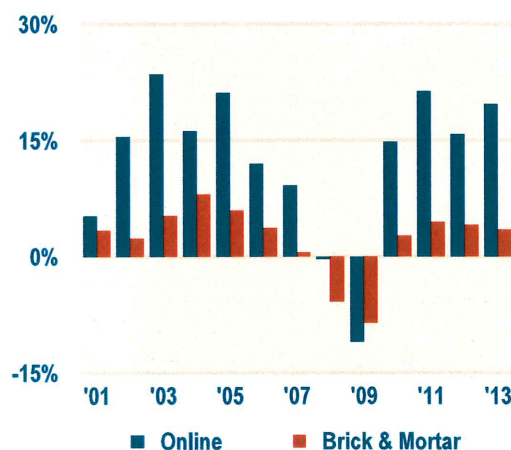
of online ordering by consolidating sales offices and inventories into just a few locations.

However, it was not until social networking and growth in the use of mobile devices that the general public became fully comfortable with online purchasing. Retail analysts expect the trend to expand and every major retailer is testing new concepts to reduce store size and overhead costs by driving more of their sales to centralized web-based order desks.

New technology, recent court decisions and legislative exemptions are constantly reducing what is taxable and has substantially altered the base on which the tax was created in 1933. The concentration of business supplies and now consumer goods into fewer and larger "points of sale" has accelerated competition for what is becoming a diminishing resource. Local governments are now bidding rebates up to 85% of the local tax collected in exchange for location of order desks.

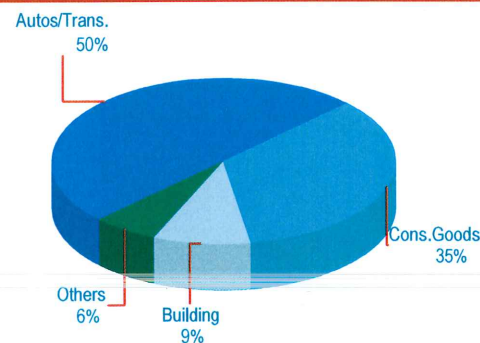
ONLINE VS. BRICK & MORTAR

Year-Over-Year Percent Growth



REVENUE BY BUSINESS GROUP

Colma This Quarter



COLMA TOP 15 BUSINESS TYPES

*In thousands		Colma	County	HdL State
Business Type	Q4 '13*	Change	Change	Change
Art/Gift/Novelty Stores	—	CONFIDENTIAL —	23.9%	8.4%
Auto Lease	40.8	66.7%	13.8%	29.0%
Department Stores	—	CONFIDENTIAL —	-2.7%	1.6%
Discount Dept Stores	—	CONFIDENTIAL —	-4.4%	0.1%
Electronics/Appliance Stores	—	CONFIDENTIAL —	-0.1%	-0.7%
Family Apparel	68.2	-14.2%	3.8%	6.8%
Garden/Agricultural Supplies	—	CONFIDENTIAL —	27.4%	9.3%
Home Furnishings	63.6	0.1%	8.7%	7.9%
Leisure/Entertainment	—	CONFIDENTIAL —	10.5%	8.6%
Lumber/Building Materials	—	CONFIDENTIAL —	236.9%	265.5%
Morticians And Undertakers	42.8	13.6%	15.5%	2.9%
New Motor Vehicle Dealers	1,064.1	15.3%	18.8%	9.4%
Package Liquor Stores	—	CONFIDENTIAL —	5.6%	6.8%
Quick-Service Restaurants	22.4	-0.2%	5.9%	7.8%
Specialty Stores	45.8	-12.6%	6.1%	7.6%
Total All Accounts	\$2,238.1	18.4%	12.4%	8.7%
County & State Pool Allocation	\$359.4	17.7%	11.8%	9.4%
Gross Receipts	\$2,597.6	18.3%	12.3%	8.8%
City/County Share	(129.9)	-18.3%		
Net Receipts	\$2,467.7	18.3%		